

Date: May 17, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director, Office of Economic and Workforce Development (OEWD)
Joy Mickle-Walker, Downtown Economic Development Coordinator
Office of Economic and Workforce Development

Subject: Amendment to FY11 Contract for Services with Downtown Durham, Inc.

Executive Summary

This item seeks City Council approval of a \$35,000.00 contract amendment to the 2010-2011 contract for economic development services with Downtown Durham, Inc. to increase the contract amount to \$224,298.00. The additional funding would enable DDI to continue its administration of the signage grant program.

Recommendation

The administration recommends that Council authorize the City Manager to execute an amendment to the FY11 Contract for Economic Development Services within the Downtown Durham District between the City of Durham and Downtown Durham, Inc. in an amount not to exceed \$224,298.00.

Background

The FY10 amount of \$148,048.00 was increased by \$41,250.00 in order for DDI to provide contracted downtown marketing and economic development services as well as administration of the signage program that was approved by City Council on May 17, 2010 as part of the newly formed Economic Development Financial Assistance and Job Creation Policy (the Policy); an amendment was approved on April 4, 2011.

Thus far in FY11, DDI staff has worked in tandem with OEWD staff to plan and implement downtown economic development and marketing strategies. One of these strategies is to improve the walkability and aesthetic appearance of Downtown, while promoting downtown businesses in a way that will create more foot traffic throughout downtown. Both activities have been based upon recommendations from the City Center Market Retail Analysis performed for downtown Durham by the Rockville, MD – based firm - Retail Compass. The performance of the analysis was jointly administered by OEWD and DDI and directly resulted in the administration of this successful signage grant program. Administration of the signage grant program includes the following activities:

- Promotion and solicitation of applications
- Facilitation of Grant Review Committee
- Staff summaries and recommendations based on review committee deliberation
- Administration and oversight of grant monies and
- Reporting of expenditures to City of Durham

Issues/Analysis

Downtown Durham, Inc. has continued to be a high-performing organization and the administration of the signage grant program has been an example of this high performance. To date, for example, Downtown Durham, Inc. has overseen and approved 21 sign grants with a total dollar value of \$102,043.17. Of this amount, \$36,777.00 has been public investment and \$65,266.17 has been private investment, resulting in a ratio of public to private investment of approximately 1 to 2. The ratio of public to private investment is a key metric used by OEWD and other economic development organizations to measure the efficiency of economic development grant programs.

The additional funding recommended for this amendment would allow for up to approximately 14 additional sign grants throughout downtown at a cost of \$2,500.00 per grant award. However, it should be noted that based upon an amendment of the Policy approved by City Council on April 4, 2011, applicants may now also apply for façade grants as part of the program. Combined sign and façade grants could be up to \$5,000.00; therefore, fewer grants may be awarded for more expanded scopes of service (the installation of a both a building sign and a repaired façade).

The City and Downtown Durham, Inc. agreed on other deliverables for Fiscal Year 2011, which have been successfully accomplished thus far.

Alternatives

Council may choose to not fund the contract amendment, or to fund at a reduced amount. If the recommended contract amendment between the City and DDI is not approved by Council, successful promotion and administration of additional sign grants could be adversely impacted.

Financial Impact

Funding for this item will be coming from the downtown revitalization funds for FY11.

SDBE Summary

An SDBE Summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item

Attachments

- Contract Amendment between the City and DDI